



Mortgage Services III, LLC
 A Subsidiary of First State Bank Member FDIC

Quick Reference Product Sheet

Government Loans

Posted 1/06/12

FHA Loans

FHA – “Standard” Maximum Loan Amounts

Units	Owner Occupied		Second Home			Investment		Maximum DTI (*)
	Maximum		Maximum		Maximum			
	LTV	CLTV	LTV	CLTV	LTV	CLTV		
Purchase								
1 - 4	96.50	100.00	640	Not Permitted		Not Permitted		Per AUS
Rate/Term and Streamline Refinance (1) (Streamline Refinance follow FHA/MSI guidelines. See Refinance – FHA . See Minimum FICO Requirements .)								
1 - 4	97.75	97.75	640	Not Permitted		Not Permitted		Per AUS
Cash-Out (C/O) Transactions (Follow FHA/MSI Guidelines. See FHA Refinance Matrix .)								
1 - 4	85.00	85.00	640	Not Permitted		Not Permitted		Per AUS

(*) For Refer loans, Maximum DTI is 43% (ratios 31/43%). Streamline Refinance – do not submit to AUS; non-credit qualifying. See Product Suite for additional MSI overlays for DTI. **For Delegated Underwriting** FHA ARM Max DTI is 50% (regardless of AUS).
 ✓ CLTV for purchase transactions with DAP follow FHA guidelines with MSI restrictions.
 ✓ 3-4 Unit Cash Out is permitted at Maximum 85.00%. All MSI/FHA guidelines and FHA debt service ratios must be met.

Units	Basic “Floor” Limits	MSI “Standard” FHA Limits	FHA High Cost “Ceiling”
1	\$271,050	\$417,000	\$729,750 (1)
2	\$347,000	\$533,850	\$934,200 (1)
3	\$419,000	\$645,300 (2, 3)	\$1,129,250 (3)
4	\$521,250	\$801,950 (2, 3)	\$1,403,400 (3)

Notes:

- (1) Non-Qualifying Streamline Refinance meet FHA guidelines for LTV limits. All other MSI/FHA guidelines must be met. Streamline Refinance, with/without appraisal, CLTV limited to 100.00%.
- (2) Loan amounts exceeding the MSI “Standard” FHA Limits are considered MSI “High Balance” and must follow those specific guidelines, see [MSI FHA High Balance](#) for details.
- (3) **All 3-4 Unit properties must meet the FHA debt service requirements.**
- (4) 3-4 Unit properties that exceed MSI Standard FHA Limits are considered FHA High Balance and are **not** eligible for purchase by MSI.
- ✓ MSI minimum loan amount is \$40,000. Loan amounts less than \$40,000 are not eligible.
- ✓ Basic Floor Limits” represent the lowest maximum county limit set nationally **by FHA** while the “High Cost Ceiling” represents the highest. **MSI considers** any FHA loan that exceeds the 2009 Fannie Mae statutory limit for the number of units to be a **MSI FHA High Balance** loan. See [MSI FHA High Balance](#) for details and MSI restrictions.
- ✓ Check individual county limits for maximum loan amount. Current loans limits may be calculated at <https://entp.hud.gov/idapp/html/hicostlook.cfm>.
- ✓ All loans must be closed in whole dollar amounts (e.g. a loan amount of \$271,049.50 is not acceptable).
- ✓ **Base Loan Amounts cannot exceed the limit set for the individual county.**
- ✓ The LTV/CLTV limits for all FHA loans must meet the most current requirements for High and Low cost states outlined by FHA to ensure that the loan is insurable. The MSI lock system does **not** validate FHA loan amounts.
- ✓ MSI reserves the right to amend pricing if the final 1008LT or Note differs from the originally committed loan.

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Government Loans

FHA Loans, Continued

Loan Parameters – MSI FHA High Balance 30 Year – FRM & ARM

Units	Owner Occupied			Second Home			Investment			Maximum DTI
	Maximum		Minimum FICO	Maximum		Minimum FICO	Maximum		Minimum FICO	
	LTV	CLTV		LTV	CLTV		LTV	CLTV		
Purchase										
1 - 2	96.50	96.50	640	Not Permitted		Not Permitted		Not Permitted		Per AUS
Rate/Term Refinance										
1 - 2	97.75	97.75	640	Not Permitted		Not Permitted		Not Permitted		Per AUS
Cash-Out (C/O) Transactions										
1 - 2	85.00	85.00	660	Not Permitted		Not Permitted		Not Permitted		Per AUS

Notes:

- ✓ For Delegated Underwriting FHA ARM Max DTI is 50% (regardless of AUS).
- ✓ FHA Streamline loans are permitted for MSI FHA High Balance.
- ✓ 30-year Term only. FRM and 3/1 or 5/1 FHAARM
- ✓ Loan must meet all current FHA guidelines with additional MSI FHA High Balance Overlays
- ✓ Down Payment Assistance Programs not permitted.
- ✓ Temporary buydowns are not permitted.
- ✓ Minimum 2 FICO scores for each borrower, middle of 3, lower of 2, lowest of borrower scores used to qualify the loan.
- ✓ FHA Total Scorecard through DU or LP required, loan must be approve or accept.
- ✓ Cash out transactions – Foreclosure or Bankruptcy not permitted within most recent 7 years, regardless of AUS.
- ✓ 3-4 Units not permitted.
- ✓ Follow current FHA guidelines for declining markets (ML-2008-09) and MSI where more restrictive. See [Declining Markets Policy](#).
- ✓ To determine the High Balance Limits, go to the following web site: <https://entp.hud.gov/idapp/html/hicostlook.cfm> .
 - For FHA Loans: select "FHA Forward" from the <Limit Type> field, then select the appropriate date of your case number.





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Government Loans

VA Loans

Loan Parameters – VA

Maximum LTV/Loan Type	Maximum Loan Limit
Purchase 100% of reasonable value ¹ plus VA funding fee	\$417,000
90% Non-IRRRL and Cash out Refinance	\$417,000
Interest Rate Reduction Refinance Loan VA IRRRL – 100.00% (Per MSI/VA Guidelines)	\$417,000 Principal balance of the existing loan Up to 45 days interest Any late charges and escrow shortages .50% Funding Fee (if applicable) Up to a 2% discount All forward closing costs and prepaid expenses. May not exceed VA statutory limits. The new total loan amount may not exceed the Appraised Value validated by the conventional appraisal.

Notes:

- ¹ Based on the Veteran's available Entitlement as stated on the Certificate of Eligibility. For purchases, the maximum entitlement is \$104,250. MSI requires the Veteran to have the GNMA-required 25% Entitlement.
- ✓ MSI minimum loan amount is \$40,000. Loan amounts less than \$40,000 are not eligible.
- ✓ Maximum DTI for VA qualifying loans is 60.00%, regardless of AUS approval.
- ✓ Maximum CLTV for VA loans:
 - Purchase Transactions = 100.00%
 - Cash-Out Refinance = 90.00%
 - Rate/Term, Fully qualifying and documented rate/term refinance = 90.00%. No new subordinate financing.
 - IRRRL = 100.00% To MSI/VA guidelines – no new subordinate financing.
- ✓ MSI requires a minimum 640 FICO for all VA loans.

Important: All VA loans must meet GNMA loan guarantee (a minimum of 25% coverage and must include the VA Funding Fee in the limit, if it is financed.)

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Government Loans

VA Loans, Continued

Loan Parameters – MSI VA High Balance 30 Year – FRM Only

Maximum LTV/Loan Type	Maximum Loan Amount
Purchase Money Mortgage 100% LTV plus Funding Fee	>\$417,000 to ≤\$625,000
Refinance 90% of reasonable value ¹ plus VA funding fee	
<p>Notes:</p> <p>¹ Based on the Veteran's available Entitlement as stated on the Certificate of Eligibility.</p> <ul style="list-style-type: none"> ✓ Must meet maximum VA county loan limit. ✓ MSI minimum loan amount is \$40,000. Loan amounts less than \$40,000 are not eligible. <p>Important:</p> <ul style="list-style-type: none"> ✓ All VA loans must meet GNMA loan guarantee (a minimum of 25% coverage) and must include the VA Funding Fee in the limit, if it is financed.) ✓ Loans must be closed/dispursed by the expiration date required by HUD/VA. <p>2012: Sellers must follow current VA guidelines for calculating VA Loan Limits. See the following web sites for details:</p> <ul style="list-style-type: none"> ✓ http://www.benefits.va.gov/HOMELOANS/loan_limits.asp ✓ http://www.benefits.va.gov/HOMELOANS/docs/Loan_Limits_2012_Dec_2011.pdf 	

MSI provides the Product Sheet as a quick reference for mortgage professionals only. Product guidelines are subject to change without notice. See the MSI Seller Guide for full details prior to selling any loans to MSI.

